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INSIDE THIS ISSUE:

<i>Oil and Gas Exploration in the NWT</i>	1
<i>Air Quality Code of Practice</i>	2
<i>Pipeline Project in the Cameron Hills</i>	2
<i>jobsnorth</i>	3
<i>Biophysical Study Update</i>	3
<i>Floorhand Rig Training for the Deh Cho</i>	4
<i>Environmental Monitor Training</i>	4
<i>Pipeline Operations Training Committee</i>	5
<i>Community Consultations</i>	5
<i>NWT Labour Force Activity</i>	6
<i>Employment and Unemployment Rates</i>	6
<i>Regional Contacts</i>	6

Welcome to the March issue of the *Oil and Gas Update*, the newsletter that provides training and activity updates related to oil and gas activity in the Northwest Territories. This newsletter is published bi-monthly by the Department of Education, Culture and Employment in partnership with the Department of Resources, Wildlife and Economic Development, Government of the Northwest Territories.

OIL AND GAS EXPLORATION IN THE NWT

Another robust winter season of oil and gas activity is currently underway in the NWT. Although lower commodity prices for both oil and gas have affected some programs, the majority of exploration projects in four different geographical regions of the NWT have gone ahead as planned. Here are some of the highlights:

Mackenzie Delta

The Mackenzie Delta is currently generating the greatest interest in oil and gas exploration activity. As announced in January, the four companies that make up the Mackenzie Delta Producers Group already have enough existing gas reserves to justify the construction of a Mackenzie Valley Pipeline. Numerous other exploration companies are now conducting programs in the region to hopefully discover their own reserves.

Devon Exploration is conducting 3D seismic programs and has already drilled one exploratory well. Devon is currently working on a second well. Japex Canada has drilled 3 wells as part of its scientific research program on gas hydrates. Petro Canada has extensive seismic programs and is setting up a drill rig on a gravel pad to allow for spring and summer exploration. Also active in the Mackenzie Delta with seismic programs are AEC, Anadarko,

Chevron and Shell Canada.

In total, approximately \$200 Million will be spent in the region on these projects.

Central Mackenzie

Only one exploration project went ahead in the Sahtu region this winter. EOG Canada built a temporary winter road, set up a camp and drilled a well at Devo Creek, approximately 60 km northwest of Norman Wells. The majority of the workers were hired from the local region and the project will cost approximately \$10 Million.

Deh Cho—Fort Liard

Exploration activity continues in the Fort Liard region following the discovery of major gas reserves a few years ago. Paramount Resources has drilled two wells and re-completed an existing well. Approximately 600 km of 3D seismic was also conducted. Anadarko is working on seismic programs in the region and has drilled one well. Canadian Forest Oil completed 2 workovers on existing wells.

Deh Cho—Cameron Hills

As detailed on page 2 of this newsletter, Paramount Resources is undertaking seismic and drilling projects in the Cameron Hills and also constructing a gathering system and pipeline. The company expects to spend approximately \$15 Million in the area this winter.



AIR QUALITY CODE OF PRACTICE

The Department of Resources, Wildlife and Economic Development is developing an Air Quality Code of Practice for the Oil and Gas Industry. A contractor was hired in December 2001 to prepare a draft of the Code.

The Air Quality Code of Practice is being developed to provide the oil and gas industry in the Northwest Territories with technical and performance standards applicable to point-source and ambient air quality. Using these standards, facilities can be designed and operated to ensure acceptable air quality. The Government of the Northwest Territories (GNWT) has established some air quality standards under the *Environmental Protection Act*. Where territorial standards do not currently exist, national standards apply until northern

standards are developed.

The proposed Code of Practice will be based upon the principle of "keeping clean areas clean". It will provide industry with clear, predictable and consistent guidance on best management practices for emissions quality, monitoring and reporting, and control technology, similar to those evolving in other jurisdictions.

Environmental assessment and regulatory boards, Aboriginal organizations, industry and the public will be consulted starting in the spring of 2002. For more information on the Air Quality Code of Practice please contact Alan Gibson, Industrial Specialist Oil and Gas, RWED Environmental Protection Service at (867) 873-7654 or by e-mail at al_gibson@gov.nt.ca.

PIPELINE PROJECT IN THE CAMERON HILLS



It has been more than 20 years since oil and gas were discovered in the Cameron Hills of the NWT. This area is part of the Deh Cho region and is located south of Kakisa near the Alberta border. At the time, land claims were not fully established. These Crown Lands were opened up for exploration and significant discovery licenses (SDL's) were issued by the Federal Government.

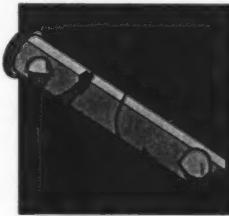
After years of waiting, Paramount Resources Ltd. believes the time has finally arrived and it is economically feasible to bring the Cameron Hills gas to southern markets. The main factor is that Alberta gas exploration and infrastructure has moved northward allowing Paramount to build a short pipeline that would connect to its existing facilities in northern Alberta.

In February of this year, Paramount received the final permits required to construct the project. The company immediately got to work and this winter will complete the 15 km long trans-boundary pipeline and the gathering system that will collect gas from 6 of its existing wells. More wells will be con-

nected next winter.

Along with this construction, Paramount is also drilling 3 new exploratory wells in the Cameron Hills and is performing seismic operations in search of new gas. In total, over \$15 million will be spent this winter. Negotiations have taken place to ensure that a top priority is the hiring of NWT businesses and residents for the hundreds of employment opportunities and service contracts. Significant amounts of work will also take place next winter.

Several NWT communities will be directly affected by the developments at Cameron Hills, including Kakisa, Fort Providence, Enterprise, Hay River Reserve and West Point. Over the past year, the Government of the Northwest Territories has directed significant resources towards assisting the affected communities to prepare for the potential impacts. These efforts include funding such programs as safety and rig training as well as assistance for business development and preparations for negotiations.



LOOKING FOR WORK? LOOKING FOR WORKERS? WWW.JOBSNORTH.CA

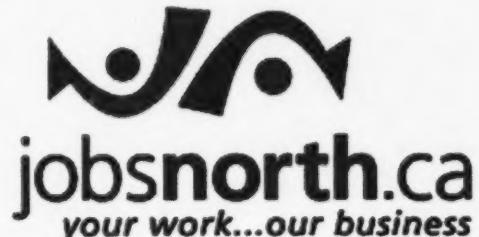
The Department of Education, Culture and Employment (ECE) is pleased to announce a new service, entitled **jobsnorth**, which will help match job seekers with employers. www.jobsnorth.ca is an electronic labour exchange designed specifically for the NWT. **jobsnorth** will assist in matching NWT residents seeking employment with appropriate jobs efficiently and simply and employers will be able to post jobs and view online resumes of job seekers. Additionally, jobs can be posted nationally if requested. The service is free of charge and will allow you to find qualified staff quickly.

jobsnorth is scheduled to launch on April 16, 2002. To facilitate expedient service, you are invited to pre-register on the site. This will also ensure that you are notified of the exact date which you may begin posting job opportunities. The registration process is very simple and takes little time to complete.

Join ECE in this exciting new initiative in Yellowknife on Tuesday, April 16th at 4:00pm for the offi-

cial launch of **jobsnorth**. There will be a brief presentation followed by a reception at The Explorer Hotel, Kat B. If you are able to attend, please RSVP to Helen Warren at 873-7552 by April 10, 2002.

If you would like more information, please contact Krista Rivet, Coordinator Employment Development, at 867-920-6384 or e-mail krista_rivet@gov.nt.ca.



BIOPHYSICAL STUDY UPDATE

On January 17, 2002, an initial workshop was held in Yellowknife to discuss the proposed Western NWT Biophysical Study. The Study has been proposed in response to the dramatic increase in resource exploration activity in the Mackenzie Valley during the last few years. To fully understand the cumulative effects of industrial development and climate change in the western NWT, it is necessary to address the information gaps that exist in terms of environmental quality, wildlife populations, vegetation, climate change and critical habitats.

Twenty-five participants from across the NWT, representing Aboriginal organizations, industry, environmental groups and various levels of government, attended the workshop. Discussions focused on the need for the adequate collection and distribution of biophysical baseline information. Participants were also able to develop a better understanding of the environmental issues facing different interest groups in the various regions.

The next steps towards the creation of the Biophysical Study will be the development of a terms of reference and the drafting of a funding proposal. A collective approach that gathers input from all interested parties will help to secure the necessary funding from the various levels of government. Within a few months, a comprehensive proposal should be in place that details the short term priorities for research in each region of the western NWT and the long term goals for an evolving research strategy.

For more information about the proposed Western NWT Biophysical Study, please contact Dr. Ray Case, Wildlife and Fisheries, RWED at (867) 920-8067 in Yellowknife.

FLOORHAND RIG TRAINING FOR THE DEH CHO

In early November, applications were being accepted from interested persons for Floorhand Rig Training to take place at the Petroleum Industry Training Service (PITS) in Nisku, Alberta. The response was overwhelming and a decision was made to run two training sessions back to back to accommodate 28 applicants. The selection of participants were made in consultation with Local Training Authorities.

Trainees were selected from eight Deh Cho communities: Trout Lake, Fort Simpson, Fort Providence, Fort Liard, Fort Wrigley, Jean Marie River, Nahanni Butte and Hay River Reserve. Out of the 28 people selected, 25 successfully completed the training. The courses were held from November 22-December 5, and December 9-December 19, 2001.

Staff at the local Career Centres have been working closely with industry to assist the graduates in obtaining employment.

The success of the program can be credited to the cooperation and commitment of representatives from ECE, RWED, Aurora College, Local Training Authorities, our Industry partners, as well as PITS.



Learning to Pull Chain for the Rig

ENVIRONMENTAL MONITOR TRAINING

In considering the possible environmental impact of oil and gas development activities within the Beaufort/Mackenzie Delta region, there has been collective recognition of the need for Environmental Monitors (EMs) to be present on all oil and gas exploration sites. This requirement has been implemented through the coordinated efforts of the Inuvialuit Land Administration (ILA) and the Department of Indian Affairs and Northern Development (DIAND).

With the high level of exploration activity in the region, the demand for EMs was quickly exceeding the supply. In preparation for this year's operations, ILA held two Environmental Monitor Training courses in fall 2001. Almost 50 students from the Western Arctic learned the basic principles of seismic exploration, drilling, and quarrying operations and gained skills in map reading, GPS use, report writing, site diagrams, taking photos and communications. Inuvialuit Environmental and Geotechnical (IEG) teaching staff and guest speakers including Nellie Cournoyea (IRC), Wayne Ross (Veri-Illuq), Jamie Patterson and

George Moskul (Western Geco) gave valuable tips to the EMs. EMs will use these skills to help ILA and DIAND monitor activities on both Crown and Inuvialuit private lands.

The requirement for ongoing field based training of EMs has been recognized by both industry and land managers. This is being provided for through ILA. The costs of both one-time and ongoing EM training were covered through the combined efforts of Inuvialuit Regional Corporation and the GNWT (ECE).

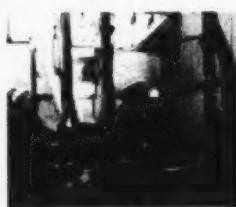
For more information on training and job opportunities for EMs, call Barb Berg at the ILA office in Tuktoyaktuk (867) 977-2202.



Photo courtesy of IEG

NORTHERN RESEARCH DAYS—APRIL 3-4, 2002

Northern Research Days is designed to provide a venue for Northerners to present their priorities for programs that address knowledge and training requirements as well as research needs related to sustainable development as these relate to industrial activity, infrastructure growth, economic development, social and cultural evolution, and community well-being.



COMMUNITY CONSULTATIONS

The Mackenzie Delta Producers Group and the Mackenzie Valley Aboriginal Pipeline Corporation (MVAPC) are going to begin an initial round of community consultations this month. The purpose of these preliminary consultations are to provide community residents with information about the proposed project and to determine how communities along the Mackenzie Valley wish to be consulted with respect to future oil and gas development.

The first communities visited will be in the Sahtu, beginning in Tulita on March 18, 2002. Additional communities will be visited throughout the next three months. During the following 18 months, the Producers Group and the MVAPC intend to visit and conduct more extensive consultations in every community throughout the Northwest Territories.

If you would like further information, please contact Joanne Nutter, Socio-Economic Manager, Mackenzie Delta Opportunity at (403) 237-2429.

PIPELINE OPERATIONS TRAINING COMMITTEE

A Pipeline Operations Training Committee was developed and held its first meeting in Fort Simpson on February 12, 2002. The committee will focus on training for employment in the area of pipeline operations, including opportunities at compressor stations and liquid recovery facilities. Training and employment for control centers may also be considered. Particular employment opportunities will include, but not be limited to, pipeline maintenance specialists, pipeline technicians, and gas measurement technicians.

In anticipation of the development, construction, and operation of a Mackenzie Valley Pipeline, several companies have been assessing the workforce requirements associated with various stages of the project. With respect to pipeline operations, ATCO Frontec has taken a lead role in identifying the potential for long-term employment of Northern residents at compressor stations, gas processing facilities, and control centers.

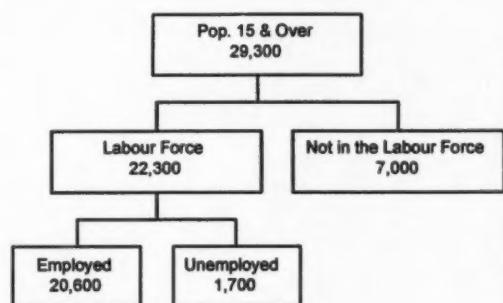
It was agreed that there were many stakeholders who could play a role as benefactors and contributors to the initiatives that ATCO Frontec was proposing. Consequently, it was agreed that a steering committee of key stakeholders be formed to move the training development process forward. It was also agreed that Aurora College would lead and coordinate the development process.

The committee is comprised of representatives from the following organizations:

- Resources, Wildlife and Economic Development (RWED)
- Education, Culture and Employment (ECE)
- Aurora College
- Indian and Northern Affairs Canada (INAC)
- Human Resources Development Canada (HRDC)
- Enbridge
- ATCO Frontec
- Imperial Oil
- TransCanada Pipelines
- Mackenzie Delta Producers Group

If you would like more information, please contact Kerry Robinson, Manager, Program Development at Aurora College (867) 872-7014.

NWT LABOUR FORCE ACTIVITY – FEBRUARY 2002



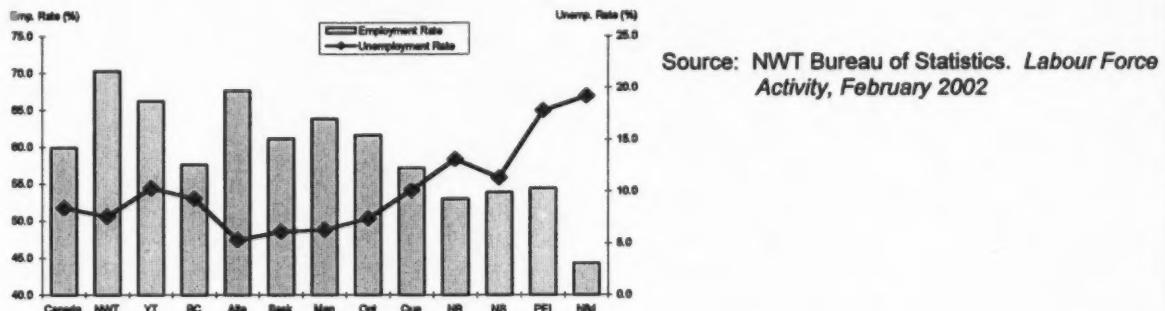
For February 2002, Statistics Canada estimates that of the 29,300 residents 15 years of age and older in the Northwest Territories, some 20,600 persons were employed. This represents an overall employment rate of 70.3%. Overall, NWT employment levels increased by 400 persons between January 2002 and February 2002.

For February, there were some 1,700 persons who were unemployed in the Northwest Territories; this value dropped by 500 from January. The overall NWT unemployment rate stood at 7.6% for February. This compares with the unemployment rate for Canada of 8.4% in February.

The rise in employment in February may be attributed to increased activity for gas exploration and for the diamond industry. The increase employment seems to most significantly impact smaller NWT communities.

Source: NWT Bureau of Statistics. *Labour Force Activity, February 2002*

EMPLOYMENT RATE AND UNEMPLOYMENT RATE Canada, Provinces & Territories, February 2002



REGIONAL CONTACTS

Career Centres and Canada-NWT Service Centres Education, Culture and Employment

Fort Simpson (Deh Cho Hall)	695-7334
Fort Smith (Sweetgrass Building)	872-7217
Hay River (Courthouse Building)	874-9200
Inuvik (1st Floor Perry Building)	777-7323
Norman Wells (Government Building)	587-2566
Yellowknife (Joe Tobie Building)	766-5100

Resources, Wildlife and Economic Development

Hay River	874-6702
Fort Simpson	695-2231
Fort Smith	872-8400
Inuvik	777-7102
Norman Wells	587-3503
Fort Liard	770-4300
Yellowknife (Scotia Centre)	920-8691

Comments or Questions? Contact...

Krista Rivet—Education, Culture and Employment (867) 920-6384

krista_rivet@gov.nt.ca

Robert Redshaw—Resources, Wildlife and Economic Development (867) 920-8954

robert_redshaw@gov.nt.ca